

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 94-116-S - ORDER NO. 95-1098 ✓
MAY 25, 1995

IN RE: Application of Wildewood Utilities, Inc.) ORDER
 for Approval of an Increase in Sewer) APPROVING
 Rates and Charges.) RATES AND
) CHARGES

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of an Application of Wildewood Utilities, Inc. (Wildewood or the Company) for approval of a new schedule of rates and charges for its customers in South Carolina. The Company's November 29, 1994 Application was filed pursuant to S.C. Code Ann. §58-5-240 (Supp. 1994), and R.103-821 of the Commission's Rules of Practice and Procedure.

By letter, the Commission's Executive Director instructed the Company to publish a prepared Notice of Filing, one time, in a newspaper of general circulation in the area affected by the Company's Application. The Notice of Filing indicated the nature of the Company's Application and advised all interested parties desiring participation in the scheduled proceeding of the manner and time in which to file the appropriate pleadings. The Company was likewise required to notify directly all customers affected by the proposed rates and charges. The Company filed affidavits, showing that it had complied with the instructions of the

Executive Director.

A Petition to Intervene was filed on behalf of the Consumer Advocate for the State of South Carolina (the Consumer Advocate).

The Commission Staff made on-site investigations of the Company's facilities, audited the Company's books and records, and gathered other detailed information concerning the Company's operations.

A public hearing relative to the matters asserted in the Company's Application was held on April 27, 1995, in the Commission's offices at 111 Doctors Circle, Columbia, South Carolina. Pursuant to S.C. Code Ann. §58-3-95 (Supp. 1994), a panel of three Commissioners composed of Commissioners Scott, Bradley, and Saunders was designated to hear and rule on this matter. Commissioner Scott presided. John M.S. Hoefer, Esquire, represented the Company; Elliott F. Elam, Jr., Esquire, represented the Consumer Advocate; and F. David Butler, General Counsel, represented the Commission Staff.

The Company presented the direct testimony of R. Stanley Jones, President of the Company, and William R. Hunt, Certified Public Accountant. The Commission Staff presented the testimony of Sharon G. Scott, Public Utilities Accountant, and William O. Richardson, Utilities Engineer Associate III.

At the time of the hearing, it was announced that a Stipulation had been reached between the Company and the Consumer Advocate in order to resolve differences between them regarding the resolution of Wildewood's request for rate relief in this

Docket. The Stipulation stated that the Company agreed and stipulated that the monthly sewer rate sought in the instant Application would be reduced from the originally requested amount of \$26.00 per month, per single family equivalency (SFE) to \$23.50 per month per SFE. In exchange for said Stipulation by the Company, the Consumer Advocate withdrew its intervention, and recommended to the Commission that the newly stipulated rate of \$23.50 per month per SFE be granted to the Company. Under the terms of the Stipulation, the Company also agreed that it would not file another Application for general rate relief on or before November 30, 1996, unless the Consumer Advocate should consent otherwise. And further, the parties agreed that the Stipulation would be published to the Commission prior to commencement of testimony at the hearing in the matter. The Stipulation is attached to this Order and appears as Exhibit 1. For reasons stated hereafter, the Stipulation between the Company and the Consumer Advocate is adopted.

FINDINGS OF FACT

1. The Company is a sewer utility operating in the State of South Carolina and is subject to the jurisdiction of the Commission pursuant to S.C. Code Ann. §58-5-10 et seq. (Supp. 1994).

2. The Company provides sewer service to approximately 2,682 residential customers, and 7 commercial customers in certain unincorporated areas of northeastern Richland County, as well as in an adjoining area in southwestern Kershaw County. Jones

testimony at 6.

3. Wildewood's present rates and charges were approved by Commission Order No. 88-311, issued March 23, 1988 in Docket No. 87-67-S, for Wildewood Utilities, Inc. The Commission approved a two part rate increase for the Briarcliffe Subdivision in Docket No. 89-426-S, Order No. 90-868, dated September 27, 1990, for Wildewood Utilities, Inc. The Commission approved the current schedule of rates for Valhalla Company in Docket No. 88-451-S, Order No. 90-17, dated January 8, 1990. The Commission approved the transfer of the Valhalla system from the Valhalla Company to Wildewood Utilities, Inc. in Docket No. 93-369-S, Order No. 93-759 on August 20, 1993. Those former customers on the Valhalla system have continued to be charged the old Valhalla rates.

4. At present, the Company charges a flat rate of \$19.50 per month for the Wildewood system, and \$17.50 per month for the Valhalla system. The commercial monthly rates are \$19.50 per SFE, and \$17.50 per SFE for the Wildewood and Valhalla systems, respectively. At present, Wildewood charges a \$15.00 notification fee, and the old Valhalla group of customers is charged a \$5.00 notification fee. Wildewood charges a \$20.00 customer account charge at present. The old Valhalla system had no approved customer account charge.

Pursuant to the Stipulation between Wildewood and the Consumer Advocate, the Company is seeking an increase to \$23.50 per month for both Wildewood and Valhalla residential systems, and \$23.50 per SFE for both Wildewood and Valhalla commercial

customers. The Company proposes to charge a \$15.00 notification fee to those areas formerly served by the Valhalla system, and also, a \$20.00 customer account charge. Stipulation of Wildewood and the Consumer Advocate; Hearing Exhibit No. 4.

5. The Company asserts that this requested rate increase is required because the Company's expenses have increased across the board. According to the testimony of Jones, with the expansion in customer base since the Company's last rate case, the Company has incurred increased operational expenses such as purchased power, employee salaries, and chemicals and the like. Other expenses such as taxes, license fees, and assessments have also risen.

The Company has experienced for the test year ending April 30, 1994, after accounting and pro forma adjustments, a loss of \$84,214. The operating margin, after interest expense, under current rates, after accounting and pro forma adjustments was (36.00%).

6. The Company proposes that the appropriate test period to consider its requested increase is the twelve (12) month period ending April 30, 1994. Testimony of Jones, Application of Company. The Staff concurred in using the same test year for its accounting and pro forma adjustments. Scott testimony, Hearing Exhibit No. 3.

7. Under its presently approved rates, the Company's operating margin after interest and after accounting and pro forma adjustments is (36.00%). The Company seeks an increase in its rates and charges for sewer service which would result in an

operating margin of (7.05%).

8. Under the Company's presently approved rates, the Company's operating revenues for the test year after accounting and pro forma adjustments are \$556,167. The Company seeks an increase in its rates and charges for sewer service in a manner which would increase its operating revenues by \$147,935. See Hearing Exhibit No. 3, Accounting Exhibit A.

9. The Company asserts that under its presently approved rates, its total operating expenses for the test year after accounting and pro forma adjustments are \$640,381. Staff concluded that the Company's operating expenses for the test year after accounting and pro forma adjustments are \$640,381. No objections were made to Staff's accounting adjustments. Therefore, the Commission adopts all of Staff's accounting adjustments for use in this case.

10. The Staff calculated the Company's net operating income after accounting and pro forma adjustments to be (\$84,214), and its net income for return to be (\$84,214).

11. The Company has applied for rates which will result in a return on rate base of (1.51%). The Staff calculated the operating margin after interest to be (7.05%) under the proposed rates in assuming Staff's adjustments. Hearing Exhibit No. 3.

12. During the public portion of the hearing, Mr. Morrie Benggio testified to a backup problem with his sewer. Mr. Benggio testified that he incurred \$195 in expenses in order to fix the problem before he realized that the problem came from, in

his opinion, a Company source.

13. At present, treated hazardous materials are being dumped into the Briarcliffe sewer system, which is creating an odor problem in the Briarcliffe neighborhood.

14. Wildewood collected unauthorized customer account charges of \$640 from the old Valhalla system customers during the test year.

CONCLUSIONS OF LAW

1. The Company is a sewer utility providing sewer service in its service area in South Carolina. The Company's operations in South Carolina are subject to the jurisdiction of the Commission pursuant to S.C. Code Ann. §58-5-10 et seq. (Supp. 1994).

2. A fundamental principle of the ratemaking process is the establishment of an historical test year with the basis for calculating a utility's rate base and, consequently, the validity of the utility's requested rate increase. While the Commission considers a utility's proposed rate increase based upon occurrences within the test year, the Commission will also consider adjustments for any known and measurable out-of-test year changes in expense, revenues, and investments, and will also consider adjustments for any unusual situations which occurred in the test year. See, Parker v. South Carolina Public Service Commission, 280 S.C. 310, 313 S.E.2d 290 (1984), citing City of Pittsburgh v. Pennsylvania Public Utility Commission, 187 P.A. Super. 341, 144 A.2d 648 (1958); Southern Bell v. The Public

Service Commission, 270 S.C. 590, 244 S.E.2d 278 (1978).

3. The Company chose the test year ending April 30, 1994. The Commission Staff used the same test year in calculating its adjustments. The Commission is of the opinion that the test year ending April 30, 1994, is appropriate for the purposes of this rate request based on the information available to the Commission.

4. The Commission concludes that the Staff's adjustments to the Company's operating revenues are appropriate for the purposes of this Order. The Staff's adjustments recognize the annual level of revenues based on a billing analysis performed by the Company and audited by the Staff, and the adjustment of certain fees collected. Accordingly, the Commission finds that the appropriate level of revenues for the Company for the test year under the present rates and after accounting and pro forma adjustments is \$556,167.

5. The Commission also concludes that the Staff's adjustments to the Company's operating expenses are appropriate for the purposes of this Order.

6. Accordingly, the Commission concludes that the Company's appropriate operating expenses for the test year, after pro forma and accounting adjustments is \$640,381.

7. The Company's appropriate total income for return for the test year, after accounting and pro forma adjustments is (\$84,214). Based upon the above determinations concerning the accounting and pro forma adjustments, the Company's revenues and

expenses, the Commission concludes that the total income for return is as follows:

TABLE A
TOTAL INCOME FOR RETURN

Operating Revenues	\$556,167
Operating Expenses	640,381
Net Operating Loss	(\$84,214)
Customer Growth	-0-
Total Income for Return	<u>(\$84,214)</u>

8. Under the guidelines established in the decisions of Bluefield Water Works and Improvement Co. v. Public Service Commission of West Virginia, 262 U.S. 679 (1923), and Federal Power Commission v. Hope Natural Gas Co., 320 U.S. 591 (1944), this Commission does not ensure through regulation that a utility will produce net revenues. As the United States Supreme Court noted in Hope, a utility "has no constitutional rights to profits such as are realized or anticipated in highly profitable enterprises or speculative ventures." However, employing fair and enlightened judgment and giving consideration to all relevant facts, the Commission should establish rates which will produce revenues "sufficient to assure confidence in the financial soundness of the utility and... that are adequate under efficient and economical management, to maintain and support its credit and enable it to raise the money necessary for the proper discharge of its public duties." Bluefield, supra, at 692-693.

9. There is no statutory authority prescribing the method which this Commission must utilize to determine the lawfulness of

the rates of a public utility. For a sewer utility whose rate base has been substantially reduced by customer donations, tap fees, contributions in aid of construction, and book value in excess of investment, the Commission may decide to use the "operating ratio" and/or "operating margin" method for determining just and reasonable rates. The operating ratio is the percentage obtained by dividing total operating expenses by operating revenues; the operating margin is determined by dividing the net operating income for return by the total operating revenues of the utility. This method was recognized as an acceptable guide for ratemaking purposes in Patton v. South Carolina Public Service Commission, 280 S.C. 288, 312 S.E.2d 257 (1984).

Based on the Company's gross revenues for the test year, after accounting and pro forma adjustments under the presently approved schedules, the Company's operating expenses for the test year after accounting and pro forma adjustments, and customer growth, the Company's present operating margin is as follows:

**TABLE B
OPERATING MARGIN**

BEFORE RATE INCREASE

Operating Revenues	\$556,167
Operating Expenses	640,381
Net Operating Income	<u>\$(84,214)</u>
Customer Growth	-0-
Total Income for Return	<u>\$(84,214)</u>
Operating Margin (After Interest Expense of \$116,022)	<u>(36.00%)</u>

10. The Commission is mindful of the standards delineated in

the Bluefield decision and of the need to balance the respective interests of the Company and of the consumer. It is incumbent upon this Commission to consider not only the revenue requirements of the Company but also the proposed price for the sewer service, the quality of the sewer service, and the effect of the proposed rates upon the consumer. See, Seabrook Island Property Owners Association v. S.C. Public Service Commission, Op. No. 23351 (Filed Feb. 25, 1991); S.C. Code Ann. §58-5-290 (1976), as amended.

11. The three fundamental criteria of a sound rate structure have been characterized as follows:

... (a) the revenue-requirement or financial-need objective, which takes the form of a fair-return standard with respect to private utility companies; (b) the fair-cost apportionment objective which invokes the principle that the burden of meeting total revenue requirements must be distributed fairly among the beneficiaries of the service; and (c) the optimum-use or consumer rationing under which the rates are designed to discourage the wasteful use of public utility services while promoting all use that is economically justified in view of the relationships between costs incurred and benefits received.

Bonbright, Principles of Public Utility Rates
(1961), p. 292.

12. Based on the considerations enunciated in Bluefield and Seabrook Island on the fundamental criteria of a sound rate structure as stated in Principles of Public Utility Rates, and on the Stipulation between the Company and the Consumer Advocate, the Commission determines that the Company should have the opportunity to earn a (7.05%) operating margin. In order to have a reasonable opportunity to earn a (7.05%) operating margin, the Company will

need to produce \$704,102 in annual operating revenues.

TABLE C
OPERATING MARGIN

AFTER RATE INCREASE

Operating Revenues	\$704,102
Operating Expenses	<u>641,608</u>
Net Operating Income	62,494
Customer Growth	<u>3,906</u>
Total Income for Return	<u>\$ 66,400</u>
Operating Margin (After Interest Expense of \$116,022)	<u>(7.05%)</u>

13. In fashioning rates to give the Company the required amount of operating revenues so that it will have the opportunity to achieve a (7.05%) operating margin, the Commission has carefully considered the concerns of the Company's customers. The Company is encouraged to continue to improve the quality of the service it provides its customers. The Commission recognizes that the proposed increase for sewer customers amounts to a 26.6% increase in the average customer's bill. The rates designed herein consider the quality of the service provided by the Company to its customers and the need for the continuance of the provision of adequate service, as well as the impact of the increase on those customers receiving service and the Stipulation between the Company and the Consumer Advocate.

14. The Commission recognizes the increase in operating expenses and the additional expenses felt by the Company. The Commission further recognizes that under the current rates, the Company is experiencing a low operating margin.

15. The Commission concludes that an increase in rates is necessary, and that the proposed increase as per the Stipulation between the Company and the Consumer Advocate is reasonable and appropriate. Accordingly, the Commission will design rates which will increase the flat monthly rate for Wildewood customers from \$19.50 per month to \$23.50 per month. The commercial monthly rate shall be increased from \$19.50 per SFE to \$23.50 per SFE. With regards to the customers on the old Valhalla system, the residential and commercial monthly rate per SFE shall be increased from \$19.50 to \$21.50. As of December 1, 1995, said rates shall increase from \$21.50 to \$23.50. The purpose of this gradual increase is to attempt to reduce possible rate shock to the customers on the old Valhalla system.

Further, it appears to us that the Company has justified its request for an increase in the notification fees in the old Valhalla system from \$5.00 to the current Wildewood \$15.00. We also believe that the Company has shown evidence for an increase or imposition of a customer account charge in the old Valhalla system to match the \$20.00 charge presently imposed in the old Wildewood system.

16. Based on the above considerations and reasoning, the Commission hereby approves the rates and charges as stated in this Order and attached hereto as Appendix A as being just and reasonable. The rates and charges approved are designed in such a manner in which to produce and distribute the necessary revenues to provide the Company the opportunity to earn the approved operating

margin.

17. Accordingly, it is ordered that the rates and charges attached on Appendix A are approved for service rendered on or after June 1, 1995. The rate schedule is hereby deemed to be filed with the Commission pursuant to S.C. Code Ann. §58-5-240 (Supp. 1994), as amended.

18. It is ordered that should the approved schedule not be placed into effect before three (3) months after the effective date of this Order, then the approved schedule shall not be charged without written permission of the Commission.

19. It is further ordered that the Company maintain its books and records for sewer operations in accordance with the NARUC Uniform System of Accounts for Class A and B utilities, as adopted by this Commission.

20. It is further ordered that the Company refund to Mr. Morrie Benggio the total sum of \$195 immediately. Further, the Commission holds that the Company shall check on Mr. Benggio's problem and report to the Commission as to whether or not the problem is fixed. If the problem is not fixed, the Commission holds that the Company shall fix the problem at its expense.

21. It is further ordered that the dumping as described earlier in the Briarcliffe Subdivision be ceased within a reasonable time due to the odor problem being created by this dumping.

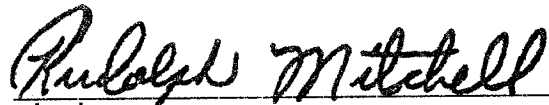
22. Further, the Company is hereby ordered to refund the \$640 collected in unapproved customer account charges in the old

Valhalla service area. The Company is also ordered to pay the legal rate of 8 3/4% per annum interest on this amount with the refunds to its customers.


23. We hereby adopt the Stipulation of the Company and the Consumer Advocate, and believe that it is in the best interest of the public.

24. This Order shall remain in full force and effect until further Order of the Commission.

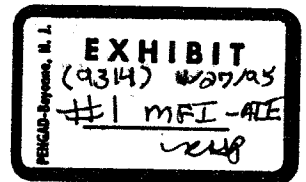
BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Deputy Executive Director

(SEAL)



BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 94-116-S

IN RE:)	
)	
Application of WildeWood Utilities,)	
Inc. for adjustment of rates and)	STIPULATION
charges for the provision of sewer)	
service.)	
)	

WildeWood Utilities, Inc. ("Applicant") and the South Carolina Department of Consumer Affairs, by and through the Consumer Advocate of South Carolina, Philip S. Porter ("Intervenor"), in order to resolve differences between them regarding the resolution of Applicant's request for rate relief in above-referenced docket, hereby agree and stipulate as follows:

1. Applicant agrees and stipulates that the monthly sewer rate sought in the instant Application shall be reduced from the originally requested amount of \$26 per month per single family equivalency to \$23.50 per month per single family equivalency.

2. Intervenor agrees and stipulates that, in exchange for the stipulation by Applicant recited in Paragraph 1 above, its intervention in the above-captioned docket is hereby withdrawn and it recommends to the Public Service Commission of South Carolina that the newly stipulated rate of \$23.50 per month per single family equivalency be granted to Applicant.

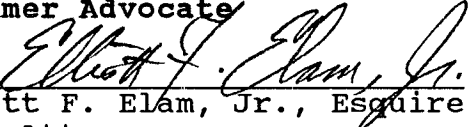
3. Applicant also agrees that it shall not file another application for general rate relief on or before November 30, 1996 unless the Consumer Advocate shall consent otherwise.

4. Applicant and Intervenor jointly agree and stipulate that the within Stipulation shall be published to the Public Service Commission prior to the commencement of testimony at the hearing in this matter set for Thursday, April 26, 1995.

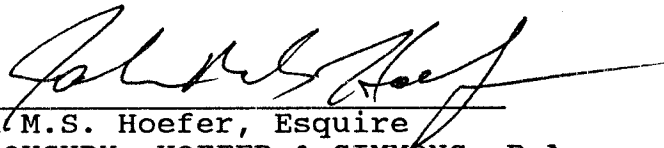
AND IT IS SO AGREED AND STIPULATED.

**SOUTH CAROLINA DEPARTMENT OF
CONSUMER AFFAIRS**

**Philip S. Porter
Consumer Advocate**

BY: 
Elliott F. Elam, Jr., Esquire
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WILDEWOOD UTILITIES, INC.

BY: 
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P.O. Box 8416
Columbia, SC 29202-8416
(803) 799-9171

Attorneys for Wildewood
Utilities, Inc.

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APPENDIX A

WILDEWOOD UTILITIES, INC.
ONE SMALLWOOD CIRCLE
COLUMBIA, SC 29223
(803) 699-2409

FILED PURSUANT TO DOCKET NO. 94-116-S - ORDER NO. 95-1098
EFFECTIVE DATE: JUNE 1, 1995

SEWER RATE SCHEDULE

1. MONTHLY CHARGE (except Valhalla System)

- a. Residential - Monthly charge per
single-family house, condominium,
villa, or apartment unit: \$23.50
- b. Commercial - Monthly charge per
single -family equivalent \$23.50

1A. MONTHLY CHARGE - Valhalla System

- a. Residential - Monthly charge per
single-family house, condominium,
villa, or apartment unit: \$21.50
EFFECTIVE DECEMBER 1, 1995 \$23.50
- b. Commercial - Monthly charge per
single-family equivalent \$21.50
EFFECTIVE DECEMBER 1, 1995 \$23.50
- c. The monthly charges listed above are minimum charges and shall
apply even if the equivalency rating is less than one (1). If
the equivalency rating is greater than one (1), then the monthly
charges may be calculated by multiplying the equivalency rating
by the monthly charge.

Commercial customers are those not included in the residential
category above and include, but are not limited to, hotels, stores,
restaurants, offices, industry, etc.

The Utility will, for the convenience of the owner, bill a tenant.
However, all arrearages must be satisfied before service will be
provided to a new tenant or before interrupted service will be
restored. Failure to pay for services rendered to a tenant may
result in service interruptions.

2. NONRECURRING CHARGES

- a) Sewer Service Connection charge per
single-family equivalent \$250.00
- b) Plant Impact Fee per single-family
equivalent \$800.00
- c) The nonrecurring charges listed above are minimum charges and
apply even if the equivalency rating of a non residential
customer is less than one (1). If the equivalency rating of a
non residential customer is greater than one (1), then the
proper charge may be obtained by multiplying the equivalency
rating by the appropriate fee. These charges apply and are due
at the time new service is applied for, or at the time
connection to the sewer system is requested.

3. BULK TREATMENT SERVICES

The Utility will provide bulk treatment services to Richland County ("County") upon request by the County. The rates for such bulk treatment services shall be as set forth above for both monthly charges and nonrecurring charges per single-family equivalent. The County shall certify to the Utility the number of units or taps (residential and commercial) which discharge wastewater into the County's collection system and shall provide all other information required by the Utility in order that the Utility may accurately determine the proper charges to be made to the County. The County shall insure that all commercial customers comply with the Utility's toxic and pretreatment effluent guidelines and refrain from discharging any toxic or hazardous materials or substances into the collection system. The County will maintain the authority to interrupt service immediately where customers violate the Utility's toxic or pretreatment effluent standards or discharge prohibited wastes into the sewer system. The Utility shall have the unfettered right to interrupt bulk service to the County if it determines that forbidden wastes are being or are about to be discharged into the Utility's sewer system.

The County shall pay for all cost of connecting its collection lines into the Utility's mains, installing a meter of quality acceptable to the Utility to measure flows, and constructing a sampling station according to the Utility's construction requirements.

4. NOTIFICATION, ACCOUNT SET-UP AND RECONNECTION CHARGES

- a. Notification Fee: A fee of fifteen dollars (\$15.00) shall be charged each customer to whom the Utility mails the notice as required by Commission Rule R. 103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating the cost.
- b. Customer Account Charge: A fee of \$20.00 shall be charged as a one-time fee to defray the costs of initiating service.
- c. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of two hundred fifty dollars (\$250.00) shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-532.4 and shall be changed to conform with said rule as the rule is amended from time to time.

5. BILLING CYCLE

Recurring charges will be billed bimonthly in arrears.
Nonrecurring charges will be billed and collected in advance of service being provided.

6. LATE PAYMENT CHARGES

Any balance unpaid within twenty-five (25) days of the billing date shall be assessed a late payment charge of one and one-half (1 1/2%) percent.

7. TAX MULTIPLIER

Except as otherwise provided by contract approved by the South Carolina Public Service Commission, amounts paid or transferred to the Utility by customers, builders, developers or others, either in the form of cash or property, shall be increased by a cash payment in an amount equal to the income taxes owed on the cash or property transferred to the Utility by customers, builders, developers, or others and properly classified as a contribution or advance in aid of construction in accordance with the Uniform System of Accounts. Included in this classification are sewer service connection charges and plant impact fees.

8. TOXIC AND PRETREATMENT EFFLUENT GUIDELINES

The Utility will not accept or treat any substance or material that has been defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Environmental Control ("DHEC") as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the provisions of 40 CFR §129.4 and 401.15. Additionally, pollutants or pollutant properties subject to 40 CFR §403.5 and 403.6 are to be processed according to the pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute the Utility's minimum pretreatment standards. Any person or entity introducing any such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the Utility for all damages and costs, including reasonable attorney's fees, incurred by the Utility as a result thereof.

9. CONSTRUCTION STANDARDS

The Utility requires all construction to be performed in accordance with generally accepted engineering standards, at a minimum. The Utility from time to time may require that more stringent construction standards be followed in constructing parts of the system.

10. EXTENSION OF UTILITY SERVICE LINES AND MAINS

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to discharge acceptable wastewater into its sewer system. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to an appropriate connection point on the Utility's sewer system may receive service, subject to paying the appropriate fees and charges set forth in this rate schedule, complying with the guidelines and standards hereof, and, where appropriate, agreeing to pay an acceptable amount for multi-tap capacity.

11. CONTRACTS FOR MULTI-TAP CAPACITY

The Utility shall have no obligation to modify or expand its plant, other facilities or mains to treat the sewerage of any person or entity requesting multi-taps (a commitment for five or more taps) unless such person or entity first agrees to pay an acceptable amount to the utility to defray all or a portion of the Utility's costs to make modification or expansions thereto.

12. SINGLE FAMILY EQUIVALENT

The list set forth below establishes the minimum equivalency ratings for commercial customers applying for or receiving sewer service from the Utility. Where the Utility has reason to suspect that a person or entity is exceeding design loadings established by the South Carolina Department of Health and Environmental Control - Bureau of Water Pollution Control in a publication called "Guidelines for Unit Contributory Loadings to Wastewater Treatment Facilities" (1990), as may be amended from time to time or as may be set forth in any successor publication, the Utility shall have the right to request and receive water usage records from the provider of water to such person or entity. Also, the Utility shall have the right to conduct an "on premises" inspection of the customer's premises. If it is determined that actual flows or loadings are greater than the design flows or loadings, then the Utility shall recalculate the customer's equivalency rating based on actual flows or loadings and thereafter bill for its services in accordance with such recalculated loadings.

TYPE OF ESTABLISHMENT	EQUIVALENCY RATING
1. Airport	
(Per Employee).....	.025
(Per Passenger).....	.0125
2. Apartments.....	1.0
3. Assembly Halls	
(Per Seat).....	.0125
4. Barber Shop	
(Per Employee).....	.025
(Per Chair).....	.25
5. Bars, Taverns	
(Per Employee).....	.025
(Per Seat, Excluding Restaurant).....	.1
6. Beauty Shop	
(Per Employee).....	.025
(Per Chair).....	.25
7. Boarding House	
(Per Resident).....	.125
8. Bowling Alley	
(Per Employee).....	.025
(Per Lane, No Restaurant, Bar, Lounge).....	.3125
9. Camps	
Resort, Luxury (Per Person).....	.25
Summer (Per Person).....	.125
Day (With Central Bathhouse) (Per Person)....	.0875
Per Travel Trailer Site.....	.4375
10. Car Wash	
(Per Car Washed).....	.1875
11. Churches	
(Per Seat).....	.0075
12. Clinics, Doctor's Office	
(Per Employee).....	.0375
(Per Patient).....	.0125
13. Country Club, Fitness Center, Spa	
(Per Member).....	.125

TYPE OF ESTABLISHMENT	EQUIVALENCY RATING
14. Dentist Offices	
(Per Employee).....	.0375
(Per Chair).....	1.125
15. Factories, Industries	
(Per Employee).....	.0625
(Per Employee, With Showers).....	.0875
(Per Employee, With Kitchen Facilities).....	.1
(Per Employee, with Showers, Kitchen).....	.1125
16. Fairgrounds	
(Per Person Based on Average Attendance).....	.0125
17. Grocery Stores	
(Per 100 sq. ft. space, No Restaurant).....	.5
18. Hospitals	
(Per Bed).....	.5
(Per Resident Staff).....	.25
19. Hotels	
(Per Bedroom - No Restaurant).....	.25
20. Institutions	
(Per Resident).....	.25
21. Laundries (Self Service)	
(Per Machine).....	1.0
22. Marinas	
(Per Ship).....	.075
23. Mobile Homes.....	1.0
24. Motels	
(Per Unit - No Restaurant).....	.25
25. Nursing Homes	
(Per Bed).....	.25
(Per Bed, With Laundry).....	.375
26. Offices, Small Stores, Business, Administration Bldg.	
(Per Person - No Restaurant).....	.0625
27. Picnic Parks	
Average Attendance (Per Person).....	.025

TYPE OF ESTABLISHMENT	EQUIVALENCY RATING
28. Prison/Jail	
(Per Employee).....	.0375
(Per Inmate).....	.3125
29. Residences (Single Family).....	1.0
30. Rest Areas, Welcome Centers	
(Per Person).....	.0125
(Per Person, With Showers).....	.025
31. Rest Homes	
(Per Bed).....	.25
(Per Bed, With Laundry).....	.375
32. Restaurants	
Fast Food Type (Not 24 Hrs.) (Per Seat).....	.10
24 Hour Restaurant (Per Seat).....	.175
Drive-In (Per Car Served).....	.10
Vending Machine, Walk-up Deli (Per Person)...	.10
33. Schools, Day Care	
(Per Person).....	.025
(Per Person With Cafeteria).....	.0375
(Per Person With Cafeteria, Gym & Shower)....	.05
34. Service Stations	
(Per Car Served (Per Day).....	.025
(Per Employee).....	.025
(Per Car Served).....	.025
(Per Car Wash (Per Car Washed).....	.1875
35. Shopping Centers, Large Department Stores, Malls	
(Per 1,000 sq. ft. Space - No Restaurants)...	.5
36. Stadiums	
(Per Seat - No Restaurants).....	.0125
37. Swimming Pools	
(Per Person _ With Sanitary Facilities and Showers).....	.025
38. Theatres	
Drive-in (Per Stall).....	.0125
Indoor (Per Seat).....	.0125